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STATE PASS USTR CONNIE HAMILTON, PATRICK DEAN COLEMAN, AND WILLIAM JACKSON

STATE FOR AF/FO, AF/E, AND AF/EPS ANN BREITER, GABRIELLE MALLORY, MARY B. JOHNSON, AND TAWANNA DAVIDSON

STATE ALSO FOR AF/EX SYLVIE MARTINEZ AND SONJA WRAY-BROWN

AF/PD FOR CLAUDIA ANYASO

STATE ALSO FOR EEB/TPP/BTA AMY HOLMAN

STATE PLEASE PASS USAID/EA AND USAID/AFR/SD BRUNO CORNELIO AND JEFF MALLICK

TREASURY FOR DAN PETERS AND REBECCA KLEIN

COMMERCE FOR KEVIN BOYD, ALICIA ROBINSON, AND BECKY ERKUL

AGRICULTURE FOR DON EVANS AND CATHY MCKINNELL

LABOR FOR SUDHA HALEY AND MAUREEN PETTIS

SIPDIS

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SUBJECT: KENYA PROVIDES PROPOSED AGOA FORUM AGENDA; MISSION RECOMMENDS INTERAGENCY VISIT IN LATE MARCH 2009

REFS: (A) 02-24-09 MALLORY-YOUNG EMAIL
(B) 02-23-09 BREITER-YOUNG EMAIL
(C) NAIROBI 325 AND PREVIOUS
(D) 02-11-09 AGOA INTERAGENCY TELCON WITH MISSION KENYA AGOA COMMITTEE

11. This cable is not/not for internet distribution.

12. Following receipt of ref B, mission AGOA committee has determined that an interagency visit during the week of March 16 would be difficult to support. Key logistics personnel will be out of Kenya during proposed TDY. Mid-March is also spring break, indicating that key Kenyan contacts may be out of the office as well. Mission AGOA committee recommends that an interagency visit be scheduled for the either the week of March 23-27 (Mission's and the Government of Kenya's first preference) or March 30-April 3.

Kenyan AGOA Forum Preparations

13. On February 24, Lina Ochieng, senior Ministry of Trade official chairing the Government of Kenya's (GOK) AGOA Forum technical committee, provided ECON/C with the GOK's revised draft agenda for the Africa-United States Ministerial (revised from para 9 of Nairobi 177), which she explained had been vetted with AGOA-eligible African missions in Washington, DC. Note, the agenda still uses Kenya's

proposed theme "Realizing the Full Potential of AGOA: Bridging the Gap." ECON/C presented and negotiated on behalf of the USG-approved theme provided in ref A at the February 26 meeting of Kenya's AGOA Forum preparatory committee (septel). At that meeting, the Kenyan private sector representatives, supported by the GOK, reiterated their view that they would like August 4 to be the private sector/civil society day. A full three-day program has been drafted and will be forwarded to Washington via septel.

14. The following is Kenya's proposed draft agenda for the Africa-United States Ministerial:

Theme: "Realizing the Full Potential of AGOA: Bridging the Gap"

Introduction: The Africa Growth and Opportunity Act (AGOA) constitutes the most significant legislative initiative by the United States of America to spur economic development, alleviate poverty and encourage trade with the Sub-Saharan region. However eight years down the line, AGOA beneficiary countries have not been able to fully benefit from AGOA. The 8th AGOA Forum therefore seeks to examine in depth why this has been the scenario with a view to bridging the gap.

Ministerial Program

Opening Session - Plenary I

AGOA Eight Years On: Reexamining the objectives of AGOA and developing benchmarks and targets to realize meaningful economic development for SSA countries. The session should focus on

Successes, Challenges and Strategies towards utilizing the full potential of market access provided by this initiative.

Tea Break

Breakout Sessions

Session 1 -Trade and Investment in Agriculture

The session will look into:

-- The challenges of exporting agricultural products case for value addition and focus on agribusiness outlining opportunities in the US market.

-- Challenges and opportunities for investment in agribusiness in Sub Saharan Africa.

Session 2 - Trade and Investments in Textiles and Apparel

This session will look into:

-- AGOA Challenges, i.e., the reasons for declining textile exports under AGOA; impact of removal of China safeguard measure.

-- Category 9, the status of utilization of this category vs. others; challenges that have been encountered; steps that SSA countries can take to enjoy this facility as well as improve utilization.

-- Vertical Integration, specifically barriers to investment and remedial measures.

-- Strategies to safeguard and increase market share in the United States.

Session 3 - Enhancing SMES Programs and Access to Finance

SMES play an important role in the economic development of African countries. The session will therefore look at what programs the African governments have put in place to promote SMES. It will also attempt to identify financing gaps/shortfalls in addition to seeking possible options for increased access to finance.

(Case study from a successful SME from sub-Saharan Africa)

Session 4 - Trade and Investment in the Energy Sector

The session will look at:

-- Alternative source of energy - focusing on expanding and exploiting the full potential of renewable energy sources for sustainable development in Africa.

-- Oil exploration and trade.

Lunch Break

Harnessing the objectives of AGOA in order to realize its full potential - Plenary II

The US Policy and Regulatory Regimes - Plenary III

The session will look at the US regulatory regimes and their effects on AGOA. Presentation from APHIS Regional hubs and FDA among others, e.g. USDA, USAID, and USTDA on the following will be quite vital:

-- Quality standards

-- SPS

Enhancing Competitiveness in the productive capacity - Plenary IV

The session will look at:

-- Supply side constraints

-- Regional Integration

-- Human and technical capacity building

-- Necessary government incentives

Breakout Sessions

Session 1 - Enabling Private Investment

The session will look at:

-- Private-public partnerships for enhanced trade and investment under AGOA.

-- Conducive investment environment, in particular, the importance of creating an enabling policy framework for private investments including the one stop shops for investors.

-- Attracting US FDI flows and proposals for policy based incentives

Session 2 - Market Development

This session will look at:

-- Product/regional promotion, notably the need for strategic and joint marketing programs for SSA; existing support programs (e.g. the hubs).

-- Product development and importance of branding and image.

Session 3 - Investment in Infrastructure

This session will look at what governments have done in this sector which is crucial for trade facilitation and challenges for direct commercial transport between SSA and US particularly

-- Transport - roads, railway, airports and ports

-- ICT

Tea Break

Session 4 - Contemporary Global Challenges

The session will look at the following and how they affect trade and investment:

- Global economic recession and its impact on Africa's development priorities.
- Security - bio terrorism, piracy and efforts to secure borders to promote trade and investment flows to Africa.
- Global Warming - strategies and policies for environment protection and areas for cooperation with the US.

Technical Assistance and the role of Aid for Trade in enhancing trade and investment - Plenary V

- Update on WTO negotiations
- The future of AGOA (NPDA bill)
- Impact of the US farm bill

Breakout Session

Session 1 - Summary of conclusions and adoption of Report

- Group Reports from Breakout Sessions
- Summary Report and Adoption
- Closing Statements
- Joint Communique

15. Post would welcome USG interagency team reaction on this proposed agenda. Doing so would allow us to discuss the agenda at the March 12 meeting of the GOK's AGOA Forum preparatory committee meeting.

Ranneberger